

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	No. 07 CR 227
v.)	
)	Violations: 15 U.S.C. § 78j(b)
)	18 U.S.C. § 876(b)
JOHN P. TOMKINS,)	18 U.S.C. § 924(c)(1)(A)
a/k/a the "Bishop")	26 U.S.C. § 5861(d)
)	18 U.S.C. § 2

COUNTS ONE THROUGH TEN

The SPECIAL AUGUST 2006-1 GRAND JURY charges:

Background

1. At times material to this indictment:

a. Navarre Corporation ("Navarre") was a corporation organized under the laws of the State of Minnesota, with its principal executive offices in New Hope, Minnesota, and engaged in the home entertainment and multimedia business. Navarre's common stock was registered with the NASDAQ Stock Market LLC, a national securities exchange, traded under the symbol NAVR, and was subject to regulation by the Securities and Exchange Commission.

b. 3COM Corporation ("3COM") was a corporation organized under the laws of the State of Delaware, with its principal executive offices in Marlborough, Massachusetts, and engaged in the networking business. 3COM's common stock was registered with the NASDAQ Stock Market LLC, a national securities exchange, traded under the symbol COMS, and was subject to regulation by the Securities and Exchange Commission.

c. 3COM and Navarre option contracts were listed securities that traded on national securities exchanges, including the Chicago Board Options Exchange, and were subject to regulation by the Securities and Exchange Commission.

d. Defendant JOHN P. TOMKINS held two securities brokerage accounts, one with TD Ameritrade and its predecessor, Ameritrade (collectively, "Ameritrade"), and one with Scottrade. Both Ameritrade and Scottrade were online discount brokerage firms. The defendant exercised discretionary authority over each account and made the investment decisions for each account.

e. Yacktman Asset Management Company, Friess Associates, Broadview Advisors LLC, Wallace R. Weitz & Company, Nicholas Company, Inc., Thompson Investment Management, First Pacific Advisors, Schwartz Investment Counsel, Inc., Ave Maria Mutual Funds, Calamos Investments, Diamond Hill Investments, Bridgeway Funds, American Century Investments, and Janus Small Cap Value Fund were all mutual funds, mutual fund managers and/or advisors, and/or firms otherwise engaged in the management of investments, including by trading securities on the national securities exchanges.

2. During the period from in or about May 2005 to in or about April 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, directly and indirectly, knowingly and willfully, by the use of the means and instrumentalities of interstate commerce and of the mails, and of the

facilities of a national securities exchange, in connection with the purchase and sale of common stock and option contracts of Navarre and 3COM, employed a manipulative device and contrivance in contravention of Rule 10b-5 (17 C.F.R. 240.10b-5), duly prescribed by the Securities and Exchange Commission as necessary and appropriate in the public interest and for the protection of investors, in that defendant (a) did employ a device, scheme and artifice to defraud and (b) did engage in acts, practices and a course of business which would operate as a fraud and deceit upon shareholders and potential shareholders of Navarre and 3COM, in connection with the purchase and sale of common stock and option contracts of Navarre and 3COM, as described below.

The Scheme

3. The object of the scheme, and the acts, practices and course of business which would operate as a fraud and deceit upon shareholders and potential shareholders (referred to collectively herein as the "scheme"), in summary, was to induce, by threats of violence, certain third-party investors and executives, through false information and trading activities, to manipulate and cause the common stock of Navarre and 3COM to trade at artificially high prices that did not reflect the unfettered supply of and demand for such stocks, thereby artificially and fraudulently increasing the market value of defendant's investment positions.

4. It was part of the scheme that defendant purchased common stock of Navarre Corporation and 3COM Corporation, as well as call option contracts relating to stock in these companies, in furtherance of the scheme and with the intention of selling such stock and option contracts, or exercising such option contracts, when the

market price for such securities had been artificially altered in compliance with defendant's demands.

5. It was part of the scheme that the defendant typically selected as recipients of the extortionate letters senior officials employed by or otherwise associated with investment management firms that traded in the national securities markets and that exercised investment discretion over assets entrusted to their management. The recipients held positions of responsibility at their respective firms including, among others, chairman of the board, chief executive officer, president, chief investment officer, director, partner, and portfolio manager.

3COM

6. It was part of the scheme that defendant attempted to manipulate the price of 3COM stock to reach \$6.66 by October 31, 2005 by mailing and causing to be mailed not less than five threatening and extortionate communications to persons employed by Yacktman Asset Management Company, Friess Associates, and Broadview Advisors LLC. The communications contained threats of violence and bodily injury, including death and kidnaping, if the 3COM stock price did not reach defendant's target price. It was the defendant's purpose and intent to cause the recipients of the letters to execute trades and to take such manipulative and fraudulent actions as may have been required to increase the price of 3COM stock to defendant's target price.

7. It was part of the scheme that such threatening and extortionate communications included letters postmarked on or about May 23, 2005, at Chicago,

Illinois, to Individual 1 (associated with Yacktman Asset Management Co.), Barrington Hills, Illinois; postmarked on or about September 7, 2005, at Palatine, Illinois, to Individual 2 (associated with Friess Associates), Wilmington, Delaware; postmarked on or about October 25, 2005, at Milwaukee, Wisconsin, to Individual 3 (associated with Broadview Advisors LLC), Milwaukee, Wisconsin; and postmarked on or about October 25, 2005, to Individual 6 (associated with Nicholas Company, Inc.), Mequon, Wisconsin .

8. It was part of the scheme that defendant mailed or caused to be mailed an envelope postmarked on or about October 25, 2005, at Milwaukee, Wisconsin, and misaddressed to Individual 4 (associated with Yacktman Asset Management Co.), Chicago, Illinois, with a return address of Individual 5 (a former administrative employee of Yacktman Asset Management Co.), La Grange Park, Illinois. Defendant enclosed within the envelope a photograph depicting Individual 5's residence and stating, "DO YOU KNOW WHO LIVES HERE? I DO" and "REMBER COMS 6.66 10/31/2005".

9. It was part of the scheme that defendant intended to sell 3COM common stock and 3COM call options after the price of 3COM was fraudulently, artificially and manipulatively increased pursuant to defendant's communications. For this purpose, beginning in or about January 2005, and continuing through September 2005, defendant acquired a long position in 3COM stock and Jan 07 \$7.5 call option contracts, which defendant intended to sell to purchasers without knowledge of defendant's scheme.

Navarre Corporation

10. It was part of the scheme that defendant attempted to manipulate the price of Navarre stock to reach price targets on or before May 1, 2006, June 13-17, 2006, July 4, 2006, August 1, 2006, and February 7-9, 2007 by mailing and causing to be mailed threatening and extortionate communications to persons associated with Wallace R. Weitz & Company, Nicholas Company, Inc., Thompson Investment Management, First Pacific Advisors, Schwartz Investment Counsel, Inc., Ave Maria Mutual Funds, Calamos Investments, Diamond Hill Investments, Bridgeway Funds, American Century Investments, and Janus Small Cap Value Fund. The communications contained threats of violence and bodily injury, including death and kidnaping, if the Navarre stock price did not reach the target prices identified by the defendant. It was the defendant's purpose and intention to cause the recipients of the letters to execute trades and to take such manipulative and fraudulent actions as may have been required to increase the price of Navarre stock to defendant's price targets.

11. It was part of the scheme that defendant mailed and caused to be mailed a threatening and extortionate communication postmarked on or about March 13, 2006, Des Moines, Iowa, to Individual 7, Excelsior, Minnesota, commanding Individual 7, the chief executive officer of Navarre, to increase the price of Navarre stock to \$6.66 within 60 days by, among other actions, disseminating materially false information that Individual 7 was "taking the company private." The defendant threatened violence and bodily injury if the Navarre stock price did not reach the \$6.66 target price.

12. It was part of the scheme that on or about March 13, 2006, by letters postmarked at Des Moines, Iowa, defendant mailed and caused to be mailed threatening and extortionate communications to Individual 8 (associated with Wallace R. Weitz & Company), Omaha, Nebraska, Individual 9 (associated with Nicholas Company, Inc.), Madison, Wisconsin, and Individual 10 (associated with Thompson Investment Management), Milwaukee, Wisconsin, in which letters defendant demanded that the recipients begin purchasing the stock of Navarre and increase the Navarre stock price to \$6.66 by May 1, 2006.

13. It was part of the scheme that on or about June 9, 2006, defendant mailed and caused to be mailed three threatening and extortionate communications, postmarked at Palatine, Illinois, to Individual 8, Omaha, Nebraska, Individual 9, Madison, Wisconsin, and Individual 10, Milwaukee, Wisconsin, each of whom had already been sent the letters of March 13, 2006, as described above. In the June 9, 2006 letters, defendant warned that "times up" and demanded that the price of Navarre stock increase each day between June 13 and June 17, 2006. Defendant threatened to "ship a package," meaning a mail bomb, to pre-selected "targets," including a relative, co-worker's relative, and a friend or neighbor, each day the Navarre stock price did not "end green," that is, increase.

14. It was part of the scheme that on or about June 9, 2006, defendant mailed and caused to be mailed two threatening and extortionate communications postmarked Palatine, Illinois, demanding that the recipients begin purchasing shares of Navarre stock and cause the price to increase to \$6.66 by July 4, 2006. The letters were sent

to Individual 11 (associated with First Pacific Advisors), Los Angeles, California, and Individual 12 (associated with Schwartz Investment Counsel, Inc. and Ave Maria Mutual Funds), Cincinnati, Ohio.

15. It was part of the scheme that on or about July 17, 2006 defendant mailed or caused to be mailed three threatening and extortionate communications postmarked Orlando, Florida, demanding that the recipients move the price of Navarre stock to \$6.66 by August 1, 2006. The letters were sent to Individual 13 (associated with Calamos Investments), Naperville, Illinois, Individual 14 (associated with Diamond Hill Investments), Columbus, Ohio, and Individual 15 (associated with Bridgeway Funds), Houston, Texas.

16. It was part of the scheme on or about January 26, 2007, at Rolling Meadows, Illinois, defendant mailed and caused to be mailed parcels to Individual 16 (associated with American Century Investments), Kansas City, Missouri, and to Individual 17 (associated with Janus Small Cap Value Fund), Denver, Colorado. Defendant enclosed within each parcel an improvised explosive weapon, also known as a pipe bomb, and a letter stating that "[t]he only reason you are still alive is because I did not attach one wire" and warning that "if you decide you want to keep the people around you safe, you will do as I say." Defendant demanded that there be "a rally in the stock price" of Navarre on February 7, 8, and 9, and that the February 7 closing price be above 4.90, the February 8 closing price be over 5.75, and the February 9 closing price be above 6.50.

17. It was part of the scheme that defendant purchased common stock in Navarre and call option contracts, the value of which would have increased had the recipients of the foregoing communications succeeded in raising the Navarre stock price to the target prices set by defendant. Defendant purchased Navarre common stock beginning in or about January 2006 and continuing through and including December 2006, and defendant purchased Navarre call option contracts beginning in or about February 2006 and continuing through and including March 2007.

Executions

18. On or about the dates listed below,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, for the purpose of executing the manipulative scheme and attempting to do so, knowingly and willfully made use of the means and instrumentalities of interstate commerce and of the mails, as set out below, each such use being a separate count of this Indictment:

<u>Count</u>	<u>Approximate Date and Place</u>	<u>General description</u>	<u>Addressee</u>
One	May 23, 2005 Chicago, IL	Threatening letter re: COMS	Individual 1, Barrington Hills, IL
Two	Sept. 7, 2005 Palatine, IL	Threatening letter re: COMS	Individual 2, Wilmington, DE
Three	Oct. 25, 2005 Milwaukee, WI	Threatening letter re: COMS	Individual 4, Chicago, IL
Four	June 9, 2006 Palatine, IL	Threatening letter re: NAVR	Individual 9, Madison, WI

Five	June 9, 2006 Palatine, IL	Threatening letter re: NAVR	Individual 11, Los Angeles, CA
Six	June 9, 2006 Palatine, IL	Threatening letter re: NAVR	Individual 8, Omaha, NE
Seven	June 9, 2006 Palatine, IL	Threatening letter re: NAVR	Individual 10, Milwaukee, WI
Eight	June 9, 2006 Palatine, IL	Threatening letter re: NAVR	Individual 12, Cincinnati, OH
Nine	Jan. 26, 2007 Rolling Meadows, IL	Parcel containing destructive device and threatening letter re: NAVR	Individual 16, American Century, Kansas City, MO
Ten	Jan. 26, 2007 Rolling Meadows, IL	Parcel containing destructive device and threatening letter re: NAVR	Individual 17, Janus Small Cap, Denver, CO

In violation of Title 15, United States Code, Section 78j(b), and Title 18, United States Code, Section 2.

COUNT ELEVEN

The SPECIAL AUGUST 2006-1 GRAND JURY further charges:

On or about January 26, 2007, in Cook County, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, with intent to extort from a person a thing of value, knowingly deposited and caused to be delivered a communication containing a threat to injure the person of the addressee and of another, namely, a parcel addressed to Individual 16, American Century, 4500 Main St. 9th Floor, Kansas City, MO 64111;

In violation of Title 18, United States Code, Sections 876(b) and 2.

COUNT TWELVE

The SPECIAL AUGUST 2006-1 GRAND JURY further charges:

On or about January 26, 2007, in Cook County, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, with intent to extort from a person a thing of value, knowingly deposited and caused to be delivered a communication containing a threat to injure the person of the addressee and of another, namely, a parcel addressed to Individual 17, Janus Small Cap, 151 Detroit St., Denver, Colorado 80206;

In violation of Title 18, United States Code, Sections 876(b) and 2.

COUNT THIRTEEN

The SPECIAL AUGUST 2006-1 GRAND JURY further charges:

On or about January 26, 2007, in Cook County, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, knowingly and intentionally possessed a firearm, namely a destructive device as defined at Title 26, United States Code, Section 5845(f), which was not registered to him in the National Firearms Registration and Transfer Record, and which was contained within a parcel addressed to Individual 16, American Century, 4500 Main St. 9th Floor, Kansas City, MO 64111;

In violation of Title 26, United States Code, Section 5861(d), and Title 18, United States Code, Section 2.

COUNT FOURTEEN

The SPECIAL AUGUST 2006-1 GRAND JURY further charges:

On or about January 26, 2007, in Cook County, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, knowingly and intentionally possessed a firearm, namely a destructive device as defined at Title 26, United States Code, Section 5845(f), which was not registered to him in the National Firearms Registration and Transfer Record, and which was contained within a parcel addressed to Individual 17, Janus Small Cap, 151 Detroit St., Denver, Colorado 80206;

In violation of Title 26, United States Code, Section 5861(d), and Title 18, United States Code, Section 2.

COUNT FIFTEEN

The SPECIAL AUGUST 2006-1 GRAND JURY further charges:

On or about January 26, 2007, in Cook County, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, during and in relation to a crime of violence for which he may be prosecuted in a court of the United States, namely, mailing a threatening communication in violation of Title 18, United States Code, Section 876(b), as charged in Count Twelve of this Indictment, knowingly used and carried a firearm and, in furtherance of such crime, possessed a firearm, namely, a destructive device as defined at Title 18, United States Code, Sections 921(a)(4), contained within a parcel addressed to Individual 17, Janus Small Cap, 151 Detroit St., Denver, Colorado 80206;

In violation of Title 18, United States Code, Sections 924(c)(1)(A), 924(c)(1)(B)(ii), and 2.

FORFEITURE ALLEGATION

The SPECIAL AUGUST 2006-1 GRAND JURY further charges:

1. The allegations contained in this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 924(d)(1) and Title 28, United States Code, Section 2461(c).

2. As a result of his violation of Title 18, United States Code, Section 924(c), as alleged in the foregoing Indictment,

JOHN P. TOMKINS,
a/k/a the "Bishop,"

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section, 924(d)(1) and Title 28, United States Code, Section 2461(c), any and all right, title, and interest he may have in any property involved in the charged offense.

3. The interests of the defendant subject to forfeiture pursuant to Title 18, United States Code, Section 924(d)(1) and Title 28, United States Code, Section 2461(c), include any and all interests in those firearms and ammunition used and intended to be used in connection with the violations charged in the Indictment, including but not limited to two destructive devices contained within parcels mailed to Individual 16, American Century, 4500 Main St. 9th Floor, Kansas City, MO 64111, and Individual 17, Janus Small Cap, 151 Detroit St., Denver, Colorado 80206, and two destructive devices seized on April 25, 2007 at storage units #113 and #114 at Penn Place Apartments, 3702 Pennsylvania Ave., Dubuque, IA;

All pursuant to Title 18, United States Code, Section 924(d)(1) and Title 28,
United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY